

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

May 13, 2021

3:12 p.m.

**MEMBERS PRESENT**

Representative Josiah Patkotak, Chair  
Representative Grier Hopkins, Vice Chair  
Representative Zack Fields  
Representative Calvin Schrage  
Representative Sara Hannan  
Representative George Rauscher  
Representative Mike Cronk  
Representative Ronald Gillham  
Representative Tom McKay

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 120

"An Act relating to state land; relating to the authority of the Department of Education and Early Development to dispose of state land; relating to the authority of the Department of Transportation and Public Facilities to dispose of state land; relating to the authority of the Department of Natural Resources over certain state land; relating to the state land disposal income fund; relating to the leasing and sale of state land for commercial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 120

SHORT TITLE: STATE LAND SALES AND LEASES; RIVERS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

03/01/21	(H)	READ THE FIRST TIME - REFERRALS
03/01/21	(H)	RES, FIN
04/30/21	(H)	RES AT 1:00 PM BARNES 124
04/30/21	(H)	Heard & Held

04/30/21	(H)	MINUTE (RES)
05/12/21	(H)	RES AT 1:00 PM BARNES 124
05/12/21	(H)	Scheduled but Not Heard
05/13/21	(H)	RES AT 1:00 PM BARNES 124

#### **WITNESS REGISTER**

MARTY PARSONS, Director  
Division of Mining Land and Water  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Provided information and answered questions during the hearing on HB 120.

#### **ACTION NARRATIVE**

[3:12:55 PM](#)

**CHAIR JOSIAH PATKOTAK** called the House Resources Standing Committee meeting to order at 3:12 p.m. Representatives McKay, Cronk, Hopkins, Schrage, Gillham, and Patkotak were present at the call to order. Representatives Fields, Hannon, and Rauscher arrived as the meeting was in progress.

#### **HB 120-STATE LAND SALES AND LEASES; RIVERS**

[3:13:29 PM](#)

CHAIR PATKOTAK announced that the only order of business would be HOUSE BILL NO. 120, "An Act relating to state land; relating to the authority of the Department of Education and Early Development to dispose of state land; relating to the authority of the Department of Transportation and Public Facilities to dispose of state land; relating to the authority of the Department of Natural Resources over certain state land; relating to the state land disposal income fund; relating to the leasing and sale of state land for commercial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date."

CHAIR PATKOTAK announced that the Department of Natural Resources (DNR) had been reworking the bill and requested an amendment, labeled 32-GH1634\B.5, Radford, 5/10/21, which is the purpose for this hearing and may affect any amendments drafted by the committee members.

[3:15:30 PM](#)

MARTY PARSONS, Director, Division of Mining Land and Water, Department of Natural Resources (DNR), briefly reviewed the information presented during the House Resources Standing Committee meeting on April 30, 2021. He then addressed the amendment brought forward by the administration, labeled 32-GH1634\B.5, Radford, 5/10/21, which read as follows:

Page 1, line 7, following "land;":

Insert "relating to the Alaska Native Vietnam veteran land exchange;"

Page 8, lines 5 - 6:

Delete "through a classification order under AS 38.05.300 and a written decision by the director under AS 38.05.035(e) "

Insert "under AS 38.04.065 and AS 38.05.300"

Page 12, following line 25:

Insert new bill sections to read:

"\* **Sec. 17.** AS 38.50.010(b) is amended to read:

(b) Except as provided in AS 38.50.015, land [LAND] or an interest in land exchanged must be of approximately equal value; however, the director may accept from or pay to a party to an exchange cash or other consideration to equalize the value of the property conveyed and received by the state. If the director determines that the property to be exchanged is not of approximately equal value or if the value of the property cannot be ascertained with reasonable certainty, the director may enter into an exchange with a finding that the value of the property received, together with the value of other public benefits, equals or exceeds the value of the property relinquished by the state.

\* **Sec. 18.** AS 38.50 is amended by adding a new section to read:

**Sec. 38.50.015. Alaska Native Vietnam veteran land exchange.** (a) An eligible individual who has received a land allotment under 43 U.S.C. 1629g-1 may apply to the department to exchange that land allotment for a parcel of state land identified by the department under this section. An exchange made under this section is considered to be in the best interest of the state, and the director shall find that the exchange is in the public interest.

(b) The department shall identify in each region of the state the state land that is available for exchange under (a) of this section and provide public notice and a map of the available state land.

(c) A land allotment and a parcel of state land exchanged under (a) of this section are not required to be located in the same region of the state.

(d) The director shall exchange a land allotment under (a) of this section as follows:

(1) for a land allotment that is between 2.5 and 10 acres, the director shall exchange a parcel of state land that is the same size, regardless of the value of the parcel of state land subject to the exchange;

(2) for a land allotment greater than 10 acres, the value of which is less than or approximately equal to the value of the 10-acre parcel of land subject to exchange, the director shall exchange a parcel of state land that is 10 acres;

(3) for a land allotment greater than 10 acres, the value of which is greater than the 10-acre parcel of land subject to exchange, the director shall adjust the acreage of the parcel of state land to ensure the land exchanged is of approximately equal value.

(e) Notwithstanding AS 38.05.840, when determining the value of a land allotment and a parcel of state land subject to exchange under this section, the department shall adopt in regulation an informal valuation process that may include consideration of state land sales in the area where the land allotment and the parcel of state land are located.

(f) If a parcel of state land or any portion of a parcel of state land is requested for exchange by more than one eligible individual under (a) of this section, the department may meet with each eligible individual and adjust the size and shape of the requested parcel of state land. In adjusting the requested parcel of state land, the department may grant preference to the earliest filed application.

(g) To the extent practicable, the department shall attempt to complete a land exchange under this section within 180 days after receiving a completed application from an eligible individual.

(h) An eligible individual who applies for a land exchange under this section shall comply with all applicable federal laws and regulations necessary to

exchange a land allotment awarded under 43 U.S.C. 1629g-1 with state land.

(i) In this section,

(1) "department" means the Department of Natural Resources;

(2) "eligible individual" has the meaning given in 43 U.S.C. 1629g-1."

Renumber the following bill sections accordingly.

MR. PARSONS explained that this proposed amendment is intended to fulfill obligations to Alaska Native Vietnam veterans who weren't able to apply for their land allotments during the Vietnam War by allowing eligible veterans to select from the available 1.5 million acres in Goodnews Bay, Fortymile River, and an area outside of Yakutat. They could then exchange those lands for lands closer to their area of heritage.

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MR. PARSONS characterized the land allotment process as "fairly straightforward" and explained that an eligible Alaska Native Vietnam veteran would apply to the federal government, have their application reviewed by the Bureau of Land Management (BLM), and then select from the available federal land. The federal government would survey the land and issue a certificate to the allottee. He noted that this process could take one to two years, depending on the budget for surveying. The allottee would begin the land exchange process with the state, selecting from land currently identified for conveyance, such as agriculture or resource management lands. He clarified that the land must not be in a legislative designated area, classified for resource development, or habitat land. There would be a process for public input and easement, and then the allottee's certificate for federal land would be exchanged for state land. Mr. Parsons directed the committee's attention to page 2, lines 10-21, of the amendment, which contained the terms of exchange for various parcel sizes.

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REPRESENTATIVE FIELDS referred to an e-mail he had received [included in the committee packet], in which Dick Mylius, a former director of the Division of Mining Land and Water, expressed a concern with the proposed legislation. Representative Fields read from the e-mail as follows [original punctuation provided]:

Section 13, new AS 38.05.086(c) that allow individuals to nominate parcels for commercial development leases essentially ignores land use planning processes and allows the state to essentially do noncompetitive, sole source leases and sales of state land.

REPRESENTATIVE FIELDS noted that the committee should be cognizant of the land use planning process when considering the proposed legislation.

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CHAIR PATKOTAK announced that Legislative Legal and Research Services would draft a new working document based on incorporation of the amendment labeled 32-GH1634\B.5, Radford, 5/10/21, as well as any other work done by DNR in cooperation with concerned stakeholders.

[3:28:41 PM](#)

REPRESENTATIVE HANNAN asked whether there would be a committee substitute (CS) with the incorporation of the amendment labeled 32-GH1634\B.5, Radford, 5/10/21, offered by the administration to their bill. She asked for confirmation of her understanding that the committee isn't adopting this amendment.

CHAIR PATKOTAK confirmed that the amendment labeled 32-GH1634\B.5, Radford, 5/10/21, along with any other changes or amendments the administration has, would be incorporated into a CS.

[3:29:38 PM](#)

REPRESENTATIVE RAUSCHER asked who [requested] this amendment.

CHAIR PATKOTAK said that the governor, through DNR and the Division of Mining Land and Water, requested the amendment. He then reviewed the history of land allotments, beginning with the Alaska Native Allotment Act of 1906, which permitted Alaska Natives to acquire title to up to 160 acres. The Alaska Native Claims Settlement Act (ANCSA) of 1971 included a provision repealing the Alaska Native Allotment Act, but with a provision allowing the U.S. Department of the Interior to finalize the pending claims. As many of those eligible claimants were serving in the Vietnam War at the time, the Alaska Native Vietnam era veterans land allotment section of the federal John

D. Dingell, Jr. Conservation, Management, and Recreation Act allowed Vietnam veterans to select federal lands, offering only "edges of rivers and tops of glaciers" that weren't regionally specific; for instance, a Vietnam veteran from Barrow wouldn't have been able to claim ancestral land. He said that this amendment would allow Alaska Native Vietnam veterans to claim land which is regionally connected to their heritage.

MR. PARSONS expressed his agreement with Chair Patkotak's summation.

[3:32:02 PM](#)

REPRESENTATIVE RAUSCHER asked Mr. Parsons how many veterans are eligible.

MR. PARSONS replied that rough numbers range from 300 to 2,000; the number is declining, which is why this amendment is important.

REPRESENTATIVE RAUSCHER asked whether the allottees would be allowed to pass the property to relatives.

MR. PARSONS explained that once an applicant is determined to be eligible, heirs could continue the process. He stressed that once land is conveyed to an allottee, the property is wholly owned by the allottee.

REPRESENTATIVE RAUSCHER asked, "They can pass it down or sell it, but if they pass it down, [and] they haven't sold it, are they allowed to still trade it?"

MR. PARSONS stated his understanding that Representative Rauscher was asking whether heirs of a deceased veteran in possession of a federal land allotment would be able to now enter into a land exchange agreement with the state. In response to Representative Rauscher's agreement, Mr. Parsons replied that that specific situation has not been contemplated in this proposed legislation.

CHAIR PATKOTAK expressed that the question of whether heirs are eligible for the land exchange would have an effect on his family.

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MR. PARSONS interjected that he just received a note from Christopher Orman, Assistant Attorney General, Natural Resources Section, Civil Division (Juneau), Department of Law, clarifying that heirs of deceased federal land allotment holders are eligible to enter into a land exchange.

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CHAIR PATKOTAK announced that HB 120 was held over.

[3:37:34 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:37 p.m.